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OXC-3901  
Copy 2 of 3

12 September 1962

**MEMORANDUM FOR THE RECORD**

**SUBJECT: Concurrence in Contract No. SH-512 with Shell Oil Company,  
New York, N. Y., Project OXCART**

1. This memorandum contains a recommendation submitted for concurrence of the undersigned. Such recommendation is contained in Paragraph 7.

2. Contract No. SH-512 covers the procurement of the installation of a hanger, fuel tank form and necessary associated facilities with proper security provisions at Eielson AFB, Alaska. Shell has agreed to design and supervise the construction and installation on land at Eielson which has been "leased" to them by the Air Force. Contractor has agreed to accomplish this work at no profit, however, a factor of \$30,000 has been included in the total price of \$340,000 to cover their overhead costs such as supervisor, personnel, accounting, contract administration and engineering design and support. The balance of costs are primarily construction, subcontracts and material procurement.

3. The Contract is being issued on a fixed price redeterminable basis in the event costs of construction vary or minor changes are required. However, since no accurate time records of Shell Supervisory people will be available, the estimate \$30,000 is excluded from redetermination. The Contract Ceiling Price has been established at 110% of the Contract Price or \$374,100.00.

4. Contract No. SH-512 obligates an amount of \$340,000 chargeable in Fiscal Year 1963 to USAF Funds (Refueling Facilities \$1,980,000) transferred to this Agency by the Air Force. By concurrence to this memorandum the Comptroller signifies that sufficient funds are available for this obligation.

5. The services and equipment being procured by this Contract No. SH-512 are in furtherance of the OXCART Program, the nature of which cannot be publicly disclosed for security reasons. The undersigned Contracting Officer therefore determines that this procurement must be accomplished by negotiations pursuant to the authority of Section 3(a) of PL 81-110 and Class Determination and Finding, OXC-2122, signed by the DDCI on 25 October 1961.

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6. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in [redacted] Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress (formerly 10(b) - see 85-907 dated 7/7/58) for each contract.

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7. Concurrence in Contract No. SH-512 is recommended.

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[redacted]  
Contracting Officer, OSA

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CONCURRENCES:

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[redacted]  
Acting Comptroller, OSA

13 September 1962  
Date

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JOHN PARANGOSKY  
CH/DD/OSA

20 September 1962  
Date

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[redacted]  
MD/OSA

21 September 1962  
Date

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CC

1 October 1962  
Date

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